The National Battlefields Commission
Quarterly Financial Report
For the quarter ended September 30, 2013

Statement outlining results, risks and significant changes in operations, personnel and programs

Introduction

The National Battlefields Commission Mandate

The Commission was established in 1908 under the *Act respecting the National Battlefields in Quebec.*

The Commission is a departmental corporation named in Schedule II of the *Financial Administration Act.*

The Commission's mandate is to ensure that all the cultural, recreational and natural resources of the Battlefields Park are developed in the best interest of Canadians and that the image of the Government of Canada is strengthened without compromising the historic character of the site. To achieve that goal, the Commission will acquire, preserve and develop the great historic battlefields in Quebec. In addition to Internal Services, the National Battlefields Commission has two program activities: « Conservation and Development » and « Public Education and Services ».

Further information on the mandate, roles, responsibilities and programs of The National Battlefields Commission can be found in the National Battlefields Commission *2012-2013 Main Estimates*, available on the following website: http://www.tbs-sct.gc.ca/est-pre/20132014/me-bpd/me-bpd-ENG.pdf page 238.

This quarterly financial report:

- should be read in conjunction with the *2013-2014 Main Estimates* and *Canada's Economic Action Plan 2012 (Budget 2012)*;
- has been prepared by management of The National Battlefields Commission as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board;
- has not been subject to an external audit or review.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Commission's spending authorities granted by Parliament and used by the Commission consistent with the Main Estimates for the 2013-2014 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the Financial Administration Act authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Commission uses the full accrual method of accounting to prepare and present its annual departmental financial statements that are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

Basis of Presentation (continued)

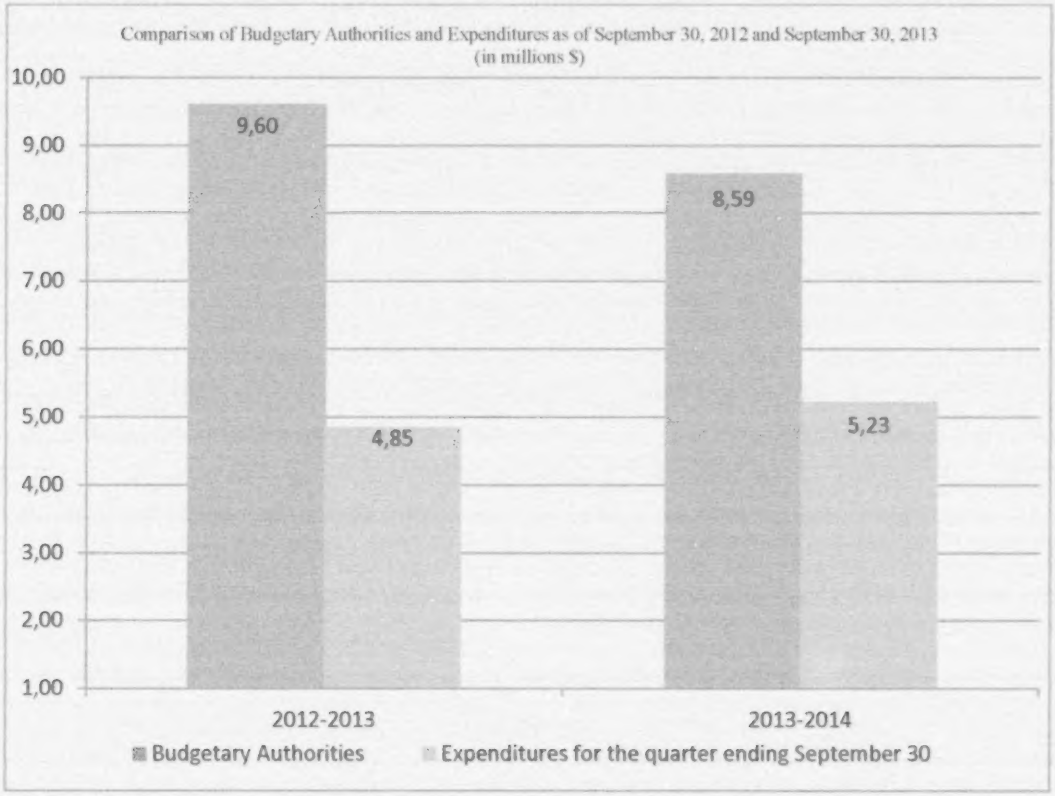
As part of the Parliamentary business of supply, the Main Estimates must be tabled in Parliament on or before March 1 preceding the new fiscal year. Budget 2012 was tabled in Parliament on March 29, after the tabling of the Main Estimates on February 28, 2012. As a result the measures announced in the Budget 2012 could not be reflected in the 2012-2013 Main Estimates.

In fiscal year 2012-2013, frozen allotments were established by Treasury Board authority in departmental votes to prohibit the spending of funds already identified as savings measures in Budget 2012. In 2013-2014, the changes to departmental authorities were reflected in the 2013-2014 Main Estimates tabled in Parliament.

Highlights of fiscal quarter and fiscal year to date (YTD) results

This section highlights the significant items that contributed to the net decrease in resources available for the year and the net increase in actual expenditures for the quarter ended September 30, 2013.

Graph 1 :



Graph 1 outlines the budgetary authorities which represent the resources available for use for the year as of September 30.

Authorities' analysis

As at September 30, 2013, total authorities available for the year were down $1.01 million from the same quarter of the prior year, from $9.60 million to $8.59 million. This decrease was due to a decrease in the operating budget ($0.729 million) as well as a reduction and a variation in the percentage of the employee benefit plan (EBP) ($0.027 million). Furthermore, the operating budget carry forward in the amount of $0.357 million was accepted during the second quarter of last year, whereas this amount had not been confirmed as of September 30th 2013. However, there was an increase in statutory revenues ($0.100 million).

Budgetary expenditures analysis

Compared to the previous year, total budgetary expenditures recorded at the end of the quarter, ending September 30, 2013 increased from $4.85 million to $5.23 million as per the Table of departmental budgetary expenditures by Standard Object. This $0.38 million increase represents a growth of 8% and is the result of some favourable and unfavourable variances of the last two quarters.

The most important growth relates to *Personnel* ($366,959) primarily because of the payments of the liquidation of severance pay as outlined in the collective agreement signed October 29, 2012. Moreover, there was an increase in the *Acquisition of land, building and works* ($64,278) due mainly to expenses related to the development of a sidewalk on Taché Street and to the new permanent artifact exhibition at the Discovery Pavilion.

The most pronounced decrease is in the standard object *Professional and special services* ($51,058) due primarily to the design and creation of the new exhibition at the Martello tower I in 2012-2013.

Risks and Uncertainties

This Departmental Quarterly Financial Report reflects the results of the current fiscal period in relation to the Main Estimates for which full supply was released on June 20, 2013.

The National Battlefields Commission may not achieve its objective of $1.8 million as statutory funding if for example, there is a drop in tourist traffic in 2013-2014 in comparison with 2012-2013. Most of the revenues come from parking lot fees and activities on the park.

In order to manage this risk, the Commission will perform an ongoing assessment of its expenses with relation to collected revenue and take appropriate measures in a timely manner.

Significant changes in relation to operations, personnel and programs

There have been no significant changes in relation to operations, personnel and programs.

Budget 2012 Implementation

This section provides an overview of the savings measures announced in Budget 2012 that are being implemented in order to refocus government and programs; make it easier for Canadians and businesses to deal with their government; and, modernize and reduce the back office.

Budget 2012 announced that the National Battlefields Commission would save $800,000 (rounded) by 2014-2015, under government initiatives to reduce the deficit.

Here, more specifically, is how the Commission will achieve the reduction objective and cut its budget by 10% over two fiscal years for a total saving of $755,000. It is important to note that the Commission will not decrease the services it offers the public. Instead, it is drawing from its capital budget and using the 2012-2013 reorganization to rationalize its workforce.

The decision made in 2012 by the Québec Port Authority to terminate the agreement to operate and run Brown Basin (unrelated to the budget) allows the Commission to shrink its human resources investment there.

The position of development and environment advisor will not be maintained with the incumbent's departure. The currently vacant mason position will not be filled either. Including benefits, savings will be of the order of $156,000.

A review of certain operating budget items indicates that there is very little flexibility, allowing only for a possible reduction in long-term investment in non-recurring special projects. About $599,000 will be cut, starting in fiscal year 2013-2014.

It goes without saying that these budget cuts are significant. The Commission wished to limit the impact on employees and the public as much as possible, but various projects, including infrastructure renewal, will have to be spread over a greater number of years. Be that as it may, the Commission is maintaining its objectives with regard to conserving and enhancing its territory. Urgent priority work will go on and an effort will be made to minimize safety risks to users and keep facilities in compliance.

Approval by Senior Officials

Approved by:

The original version was signed by:
André Beaudet, Secretary – Director General

The original version was signed by:
Paule Veilleux, Director of administration

Québec, Canada
November 18, 2013

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(In thousands of dollars)	Fiscal year 2013-2014			Fiscal year 2012-2013		
	Total available for use for the year ending March 31, 2014 *	Used during the quarter ended September 30, 2013	Year to date used at quarter end	Total available for use for the year ending March 31, 2013 **	Used during the quarter ended September 30, 2012	Year to date used at quarter end
Program expenditures	6,417	2,941	3,983	7504	2920	3784
Contributions to employee benefit plans	371	92	185	398	100	199
Expenditures pursuant to subsection 29.1(1) of the Financial Administration Act	1,800	485	1,061	1700	466	870
Total authorities	8,588	3,518	5,229	9602	3486	4853

* Includes only Authorities available for use and granted by Parliament at quarter end.

** Total available for use does not reflect measures announced in Budget 2012.

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(In thousands of dollars)	Fiscal year 2013-2014			Fiscal year 2012-2013		
	Planned expenditures for the year ending March 31, 2014	Expended during the quarter ended September 30, 2013	Year to date used at quarter end	Planned expenditures for the year ending March 31, 2013 *	Expended during the quarter ended Septembre 30, 2012	Year to date used at quarter end
Expenditures:						
Personnel	2,502	1,179	2,479	2659	1130	2112
Transportation and Telecommunications	100	35	52	147	40	49
Information	250	73	125	350	74	94
Professional and special services	700	188	265	700	226	316
Rentals	160	28	39	218	19	40
Puchased repair and maintenance	800	139	213	900	100	170
Utilities, materials and supplies	900	144	321	1000	172	344
Acquisition of land, buildings and works	500	64	64	795	-	-
Acquisition of machinery and equipment	76	18	21	233	28	31
Transfer payments	-	-	-	-	-	-
Public debt charges	-	-	-	-	-	-
Other subsidies and payments	2,600	1,650	1,650	2600	1697	1697
Total Expenditures	8,588	3,518	5,229	9602	3486	4853

* Planned expenditures do not reflect measures announced in Budget 2012.